

Credit Charge and Margin Information

We wish to inform you of certain procedures regarding interest charges on credit extended for the financing of margin and other securities transactions.

Interest charges and determination of debit balance
Interest will be charged on the net debit balance in your account, which is comprised of all credit extended to or maintained for your account by us for the purpose of purchasing, carrying or trading in any security or otherwise. Extension or maintenance of credit is governed by, and loan value is based on Regulation T of the Board of Governors of the Federal Reserve System and any exchange or selfregulatory agency to whose jurisdiction we are subject. Each extension of credit creates or increases the debit balance upon which interest is charged. Interest will be computed on the actual daily net debit balance in your account during the interest period. For each separate account that you maintain with us, the net debit balance is calculated by combining any debit balances in cash and margin accounts, while deducting any free credit balance in the accounts. Free credit balances exclude proceeds from sales of securities not custodied in the account, or where the securities received are not in negotiable form (e.g., shares deposited are not in street name form). The net debit calculation excludes any credit balance in a short sale account, as these funds are used to obtain securities for delivery against short sales, notwithstanding the fact that the customer may be long the same securities in his margin account (i.e., short against the box).

Interest rate

The annual rate of interest charged on your actual daily net balance consists of the Base Rate as we determine, plus a percentage, as outlined below. The daily determination of the Base Rate is at our sole discretion and may be affected by such rates as those published by The Wall Street Journal, The New York Times and other sources recognized in the industry to be reliable indications of comparable rates for such loans.

On actual daily net debit balances of	Percentage added to the Base Rate
\$0-\$29,999.99	2 %
\$30,000-\$49,999.99	1 1/4 %
\$50,000-\$99,999.99	3/4 %
\$100,000 and over	1/2 %

Any change in our Base Rate will result in corresponding change in the interest rate charged in your account, which change will be made without notice to you. However, should we find it necessary to increase the interest rate for any other reason, you will be given at least thirty days' written notice prior to such change. The percentages added to our Base Rate may be varied in individual situations at our discretion. Each affected customer will receive prior notification thereof.

What your monthly statement will show

Your monthly statement will show all debit and credit entries for the period and the dates of such entries, the opening and closing interest balances for the period, the beginning and ending dates of the interest period(s), the annual rate(s) of interest charged for each different annual rate, the actual debit balance upon which interest is computed, and the total interest charged for any period during which interest is charged. Your actual net debit balance includes interest charged to your account from prior interest periods which you have not paid.

The method of computing interest

To compute daily interest, use the formula:

$$\frac{\text{Actual Daily Net Debit Balance} \times \text{Daily Interest Rate}}{360}$$

Interest, which is calculated daily and usually posted on the first business day of the following month, is reflected in the monthly statement of account. You should retain the previous monthly statement in order to verify the amount of interest payable on your account.

Mark to the market

Where the aggregate market value of short positions increases, the balance in the short account will be increased accordingly by crediting that account and debiting the margin account. Such entries, which are processed periodically and commonly referred to as "mark to the market," affect the balance in the margin account which is used for computing interest charges. Should the aggregate market value of the short positions later decrease, we would mark the account to the market to reflect the decrease.

LAY-G20 0942